

Citipower

Forexco Inc.

January 23, 2004

Thomas M. Dorman, Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

RECEIVED

JAN 26 2004

PUBLIC SERVICE
COMMISSION

Re: Citipower L.L.C. 2004-00026
Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Mr. Dorman:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation, filed January 23, 2004, for rates to be effective March 1, 2004, based on the reporting period from August 1, 2003 through October 31, 2003. To the best of my knowledge, this filing is complete and accurate, is in accordance with the requirements of the Commonwealth of Kentucky Public Service Commission, and is consistent with the calculation of the rates Ordered by the Public Service Commission on August 8, 2002 regarding Case No. 2002-00252.

The Public Service Commission may, as it has in the past, correct the Quarterly Report of Gas Cost Recovery Rate Calculation provided by Citipower, and issue its Order based on its corrected Calculation. If the Commission corrects the enclosed Calculation and issues its Order based on the Commission's corrected Calculation, please provide me with a legible copy of the Commission's corrected Calculation for my future reference.

Sincerely,



David J. Hutchinson
Controller

Citipower, LLC
2122 Enterprise Road
Greensboro, NC 27408

Voice 336-379-0800
Fax 336-379-0881

COMPANY NAME

Citipower, LLC

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

1-23-2004

Date Rates to be Effective:

3-1-2004

Reporting Period is Calendar Quarter Ended:

10-31-2003

Citipower, LLC
 filed 01-23-2004

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.9360
+ Refund Adjustment (RA)	\$/Mcf	0
+ Actual Adjustment (AA)	\$/Mcf	3.9740
+ Balance Adjustment (BA)	\$/Mcf	< 0.4741 >
= Gas Cost Recovery Rate (GCR)	\$/Mcf	10.4359

GCR to be effective for service rendered from 03-01-2004 to 05-31-2004

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	467,903
+ Sales for the 12 months ended <u>10-31-2003</u>	Mcf	6,7460
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	6.9360

B. REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	0
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	0
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	0
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	0
= Refund Adjustment (RA)	\$/Mcf	0

C. ACTUAL ADJUSTMENT CALCULATION

Actual Adjustment per case # 2002-0252 (expires August 31, 2005)

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	< 0.0833 >
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.1037
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	1.3996
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	1.4404
= Actual Adjustment (AA)	\$/Mcf	3.9740

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	< 0.4741 >
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	0
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	0
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	0
= Balance Adjustment (BA)	\$/Mcf	< 0.4741 >

Citipower, LLC
 Filed 01-23-2004

SCHEDULE II
 EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended 10-31-2003

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
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Forexco, Inc.

67,460

467,903

(See attached detail)

Totals			67,460		467,903
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Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	467,903
+ Mcf Purchases (4)	Mcf	67,460
= Average Expected Cost Per Mcf Purchased	\$/Mcf	6.936
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	67,460
= Total Expected Gas Cost (to Schedule IA.)	\$	467,903

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
 **Supplier's tariff sheets or notices are attached.

Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 01/23/2004

Schedule II
Expected Gas Cost

Month	Mcf	Expected Rate	Cost
November-02	5,800	6.9360	40,228.80
December-02	9,292	6.9360	64,449.31
January-03	11,863	6.9360	82,281.77
February-03	11,155	6.9360	77,371.08
March-03	5,075	6.9360	35,200.20
April-03	4,008	6.9360	27,799.49
May-03	3,652	6.9360	25,330.27
June-03	3,738	6.9360	25,926.77
July-03	3,331	6.9360	23,103.82
August-03	2,346	6.9360	16,271.86
September-03	2,918	6.9360	20,239.25
October-03	4,282	6.9360	29,699.95
	67,460	6.9360	467,902.56

Citipower, LLC
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SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

10-31-2003

Details for the 3 months ended _____
(reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
= Refund Adjustment including interest	\$	
+ Sales for 12 months ended _____	Mcf	
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	<u>0</u>

Citipower, LLC
 filed 01-23-2004

SCHEDULE IV

ACTUAL ADJUSTMENT

10-31-2003

For the 3 month period ended (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(08/03)</u>	<u>Month 2</u> <u>(09/03)</u>	<u>Month 3</u> <u>(10/03)</u>
Total Supply Volumes Purchased	Mcf	2,345.7	2,917.6	4,281.8
Total Cost of Volumes Purchased	\$	13,317.01	16,910.41	25,141.02
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	2,345.7	2,917.6	4,281.8
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>5.6772</u>	<u>5.7960</u>	<u>5.8716</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>6.0720</u>	<u>6.4932</u>	<u>6.4932</u>
= Difference [(Over-)/Under-Recovery]	\$/Mcf	<0.3948>	<0.6972>	<0.6216>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>2,345.7</u>	<u>2,917.6</u>	<u>4,281.8</u>
= Monthly cost difference	\$	<926.08>	<2,034.15>	<2,661.57>

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	<5621.80>
+ Sales for 12 months ended <u>10-31-2003</u>	Mcf	<u>67460</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	<0.0833>

Citipower, LLC
 Filed 1-23-2004

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended 10-31-2003
 (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the AA of <u>0.0146</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>67,187</u> Mcf during the 12-month period the AA was in effect. (Dec. 2002 - Nov. 2003) Equals: Balance Adjustment for the AA.	\$	561.62 $\langle 980.93 \rangle$ $\langle 419.31 \rangle$
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect. Equals: Balance Adjustment for the RA.	\$	 _____ _____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect. Equals: Balance Adjustment for the BA.	\$	 _____ _____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	 _____
+ Sales for 12 months ended <u>11-30-2003</u>	Mcf	<u>67,187</u>
Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	$\langle 0.0062 \rangle$
Bal. Adj. per attached calculation. (Appendix B, p. 7)		$\langle 0.4679 \rangle$
Total Balance Adjustment (to Schedule ID.)		<u>$\langle 0.4741 \rangle$</u>

